

# LVT in the British General Election



**Tony Vickers**

**W**HEN I RAN for Parliament in 1997 as a Liberal Democrat, there was no mention of land value taxation or site value rating in the Party's manifesto. Nor was there in any other Party's manifesto. Immediately afterwards, I wrote to the Head of Policy at the Royal Institution of Chartered Surveyors, asking him to consider putting resources into this subject. He wrote back, quite reasonably pointing out that since no major political party in Britain was advocating such policies, it could not have a priority for RICS.

In other words, politicians influence the research agendas of British professional bodies. It isn't enough for a Party to support a policy (neither the Lib Dems' policy on SVR nor the Greens' on LVT has significantly changed since 1997). Manifestos express the policy priorities of parties and unless LVT is a priority it will remain un-noticed and unresearched.

So it is a considerable comfort to have run for Parliament again this year, with both Greens and Lib Dems prepared to feature their progressive tax policies in their manifestos. In the case of the Green Party of England &

Wales, even the "mini-manifesto", given away free, said: "National Non-domestic Rates and the Council Tax should be replaced by a local Land Value Tax." The Lib Dems 20-page tabloid format manifesto (price £1.50) said, in a section on Rural, Urban & Suburban Life: "We will allow councils to replace the Uniform Business Rate with a system based on the value of each site (SVR)".

The move from "small print" to manifesto came not because of lobbying by Green and Lib Dem Georgists, although like drops on a stone many of their efforts will have had a cumulative effect. It is more to do with a convergence between (small "g") green thinking and the widening base of support for a major tax shift away from jobs, partly for pragmatic reasons.

Alanna Hartzok, the American Green Party and LVT campaigner at the UN, used figures from the Worldwatch Institute in her talk at the HGF/FoE seminar "Sustainable Taxation" in April. These showed the approximate composition of Global Tax Revenues: current and projected under "full reform" of taxes worldwide. The proportion of taxes taken from "work and

investment" could reduce from 93% to 65%, even without an explicit LVT implementation.

*Don't Tax More, Tax Differently* co-authored this year by Mark Hinnells and published by the Centre for Reform, a think-tank founded since 1997 and close to the Lib Dems, similarly proposes that the proportion of British taxes that could be gleaned from "environmental" sources, including SVR, might rise over 20 years from 8% to over 30%.

To probe the roots of this green growth, in the run-up to the election HGF commissioned a UK-based Japanese post-graduate researcher on climate change, Shizuka Oshitani, to interview some 20 leading political think-tanks and pressure groups, also the political parties' policy departments themselves. Her report will be part of a publication, *Towards Sustainable Taxation*, later this year.

Oshitani's main conclusion is that a coalition of non-party groups needs to work together to mobilise popular understanding and support for Green Taxes generally. With LVT, it is not at all clear yet to most intelligent policy people why it should be seen as a key green tax, let alone how to implement it. But she finds all except the most reactionary bodies extremely receptive to our ideas. In particular "all interviewees showed their interests in a pilot scheme" as a way of designing LVT properly.

Is it too much to ask the incoming Labour Government to allow such a pilot, so that by the time the next election comes along we can have dealt with the "why" question and be well into answering the "how"?

## PF takes on Corporate members

One year on from its launch in April 2000, the Progressive Forum held a joint seminar at the Greater London Assembly's HQ with Friends of the Earth (FoE) of England, Wales & Northern Ireland, on "Sustainable Taxation" (see back page of *L&L*, Spring 2001). Tony Vickers, Chief Executive of PF's sponsor, the Henry George Foundation of Great Britain (HGF), announced that PF would now be open to corporate membership.

The first three organisations to take up the offer (£55/yr for educational institutions and charities, £70 for others) are FoE themselves, the Town & Country Planning Association (TCPA) and Kingston University, London (School of Surveying).

FoE is, like HGF, part of a world-wide network. It campaigns and conducts research to inform its activities in such areas as: wildlife and countryside protection; safer food; waste reduction and over-consumption; forest and fish-stock conservation. Its strap-line is "For the Planet, For People". FoE's research co-ordinator Tim Jenkins says: "We see LVT as a valuable tool for giving incentives to sustainable human behaviour, in many ways and at different levels. Through PF we wish to widen our research network and help develop practical tax policies on the 'revenue from resource rents' principle."

TCPA traces its origins back to the Garden City

Movement of the late 19th century, under its founder Ebenezer Howard, who was a supporter of Henry George's ideas. It is committed to improving the environment through effective planning, public participation and sustainable development. Its Director Gideon Amos says: "The TCPA has always campaigned for a system of taxation which enables the community to benefit from increases in land value gained from that community's decision to grant planning permission. It was on this basis that the TCPA ensured the first Garden City was built at Letchworth. Today, as government promotes the idea of environmental taxes the TCPA is delighted to join the PF in researching reforms of this kind."

Kingston University has one of the foremost reputations in earth sciences and geographic information systems, as well as a well-established School of Surveying within its Faculty of Design. It recently announced the commencement in September of a new MA in Sustainable Futures which takes as one of its key themes Sustainable Economics. Dr Sarah Sayce, Head of the School of Surveying, says of PF: "We are very aware of growing interest in sustainable development within the property professions. The issue of property taxation's ability to influence patterns of development merits our involvement with the Forum, which has a promising future."